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HOUSE BILL 797

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Irvin Harrison

AN ACT

RELATING TO TAXATION; CREATING A TAX CREDIT FOR BUSINESSES IN
THE HOSPITALITY INDUSTRY THAT FUND TRAINING FOR EMPLOYEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the
"Hospitality Training Tax Credit Act".

Section 2. DEFINITIONS.--As used in the Hospitality
Training Tax Credit Act:

A. "department" means the taxation and revenue
department;

B. "employee" means a person employed by one
employer in a hospitality business for more than twenty hours
per week as a retail manager or in a nonmanagement position;

C. "employer" means a person engaged in a
hospitality business;

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1 D. "hospitality business" means a lodging, food
2 service, public conveyance or other business that predominantly
3 serves tourists;

4 E. "hospitality training" means a program approved
5 by the tourism department that provides customer service skills
6 training to employees who work with tourists; and

7 F. "taxpayer" means an employer:

8 (1) that is liable for payment of gross
9 receipts tax or personal or corporate income tax;

10 (2) that is responsible for withholding and
11 payment of tax to the department or collection and payment of
12 tax to the department; or

13 (3) that has been assessed a tax by the
14 department and the tax remains unabated or unpaid.

15 Section 3. HOSPITALITY TRAINING TAX CREDIT--AMOUNT--
16 PROCEDURE.--

17 A. A taxpayer may claim a tax credit, that may be
18 referred to as the "hospitality training tax credit", in an
19 amount equal to the cost of hospitality training paid for by
20 the taxpayer and attended by employees of that taxpayer. The
21 amount of the tax credit claimed may not exceed three thousand
22 dollars (\$3,000) per year per taxpayer.

23 B. Beginning on January 1, 2005, the hospitality
24 training tax credit may be claimed against a taxpayer's
25 liability for gross receipts tax. The hospitality training tax

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1 credit may be claimed against taxpayer's liability for personal
2 or corporate income tax for tax years beginning on or after
3 January 1, 2005. A taxpayer may claim a hospitality training
4 tax credit only once for an expenditure; however, a taxpayer
5 may submit a claim against both the gross receipts tax and
6 income tax liabilities of the hospitality business for the same
7 year.

8 C. The hospitality training tax credit claim shall
9 be submitted on a form provided by the department. A taxpayer
10 shall submit the hospitality training tax credit claim at the
11 time that the taxpayer submits a return for payment of the tax
12 against which the claim is made.

13 D. The hospitality training tax credit claimed by a
14 taxpayer shall not exceed the aggregate tax liability of the
15 taxpayer for the tax against which the credit is claimed. If
16 the hospitality training tax credit is claimed against the
17 taxpayer's:

18 (1) gross receipts taxes, the claim may not
19 exceed the taxpayer's gross receipts tax liability in the
20 calendar year in which the hospitality training was provided;
21 or

22 (2) personal or corporate income tax, the
23 claim may not exceed the taxpayer's personal or corporate
24 income tax liability in the tax year in which the hospitality
25 training was provided.

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1 E. A hospitality training tax credit claimed
2 against a taxpayer's gross receipts tax liability may be
3 claimed in any month during the calendar year, but may not
4 exceed the aggregate amount of gross receipts tax paid by the
5 taxpayer for the calendar year, including the gross receipts
6 due and payable at the time that the credit is requested. If
7 the hospitality training tax credit exceeds the amount of gross
8 receipts tax paid to date in the calendar year, the remainder
9 may be carried over to be credited against future gross
10 receipts tax liabilities due in the same calendar year. Only
11 hospitality training tax credits earned in December of a year
12 may be claimed against gross receipts tax liability reported in
13 January of the following year.

14 F. The hospitality training tax credit may be
15 claimed by a taxpayer against personal or corporate income
16 taxes only for the tax year in which the hospitality training
17 was provided.

18 Section 4. HOSPITALITY TRAINING PROGRAMS.--

19 A. Prior to December 1, 2005, the tourism
20 department shall adopt and publish rules setting forth the
21 standards to be met by a hospitality training program to
22 provide hospitality training and to implement the Hospitality
23 Training Tax Credit Act.

24 B. A hospitality training tax credit claimed
25 pursuant to the provisions of the Hospitality Training Tax

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1 Credit Act may be claimed only for expenditures for training at
2 a hospitality training program approved by the tourism
3 department.

4 Section 5. ADMINISTRATION.--

5 A. The department shall administer the tax credit
6 provisions of the Hospitality Training Tax Credit Act and may
7 adopt rules to implement that act.

8 B. The Tax Administration Act applies to the
9 administration and enforcement of the tax provisions of the
10 Hospitality Training Tax Credit Act.

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